

<b>EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210</b>	<b>CLASSIFICATION</b> ETA-Credentials
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**ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 15-10**

**TO:** STATE WORKFORCE AGENCIES  
STATE WORKFORCE ADMINISTRATORS  
STATE WORKFORCE LIAISONS  
STATE AND LOCAL WORKFORCE BOARD CHAIRS AND DIRECTORS  
STATE LABOR COMMISSIONERS  
STATE APPRENTICESHIP AGENCY DIRECTORS  
ALL NATIONAL EMERGENCY GRANT RECIPIENTS  
ALL TRADE ADJUSTMENT ASSISTANCE GRANT RECIPIENTS  
ALL COMMUNITY-BASED JOB TRAINING GRANTEEES

**FROM:** JANE OATES /s/  
Assistant Secretary

**SUBJECT:** Increasing Credential, Degree, and Certificate Attainment by Participants of the Public Workforce System

1. **Purpose.** President Barack Obama has called on the United States to have “the best educated, most competitive workforce in the world,” once again leading the world in the percentage of Americans with postsecondary degrees and/or industry-recognized certificates and credentials by 2020. In today’s increasingly competitive, dynamic, and fast-paced world economy, economic growth and broadly-shared prosperity depend upon the education and skills of the American workforce. According to the President, “Now is the time to build a firmer, stronger foundation for growth that will not only withstand future economic storms, but one that helps us thrive and compete in a global economy.”

The purpose of this Training and Employment Guidance Letter (TEGL) is fourfold. First, this TEGL officially reinforces the President’s goal that every American complete at least one year of postsecondary higher education or career training. Second, it announces the Employment and Training Administration’s (ETA) commitment to the Secretary of Labor’s High Priority Performance Goal to increase credential attainment by participants of the public workforce system.<sup>1</sup> Third, this TEGL describes strategies that state and local workforce agencies, their strategic partners, and ETA discretionary grantees can adopt to both increase the rate of credential attainment among workforce program participants and improve the quality of those credentials.

<sup>1</sup> For purposes of this TEGL, “credential” is an umbrella term that encompasses educational certificates or degrees, occupational licenses, Registered Apprenticeship, and industry-recognized certifications. A definition is provided later in the document and additional detail is provided in Attachment 2.

<b>RESCISSIONS</b> None	<b>EXPIRATION DATE</b> Continuing
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Fourth, it clarifies the reporting requirements for each of the programs included in the goal. Any additional requirements on state or local workforce agencies or discretionary grantees would be addressed in future guidance.

Attachment 1 provides performance data on credential attainment among Workforce Investment Act (WIA) exiters for Program Year (PY) 2008, broken out by state and territory, and is included to illustrate the information used to establish the baseline for the WIA title I programs that will contribute to the Secretary's High Priority Performance Goal. Attachment 2 addresses definitional questions relating to credentials and provides detailed information on the characteristics of credentials that can make them more or less valuable to individuals and employers in various circumstances. Attachment 2 also includes information on a variety of online resources and tools for identifying and evaluating specific credentials. Attachment 3 provides additional information on performance reporting, including the reports/data elements to be completed on individuals who attain a credential through one of the workforce programs.

The Secretary of Labor has proposed a number of High Priority Performance Goals in the Department of Labor's (DOL) 2011 Strategic Plan. With regard to credential attainment, the plan states: **“By June 2012, increase by 10 percent (to 220,000) the number of people who receive training and attain a degree or certificate through the following programs: Workforce Investment Act (WIA) adult, dislocated worker, and youth, National Emergency Grants (NEG), Trade Adjustment Assistance (TAA), and Career Pathways,” including Community-Based Job Training grants.**<sup>2</sup> Each named program must report the number of program participants who earn credentials. Reporting requirements for each program are detailed in Section 7 of this TEGL. The goal reflects the Administration's continued emphasis on job training and the attainment of industry-recognized credentials as a strategy for both enhancing earnings and employment for participants in the public workforce system and meeting the economy's need for more skilled workers.

## 2. References.

- Workforce Investment Act (WIA) of 1998, as amended (29 U.S.C. 2801 et seq.), including title I D National Emergency Grants
- Wagner-Peyser Act, as amended (29 U.S.C. 49 et seq.)
- The Trade Act of 1974, as amended (19 U.S.C 2271 et seq.)
- WIA Regulations, 20 CFR parts 652 and 660-671
- Registered Apprenticeship Regulations, 29 CFR parts 29 and 30
- TAA Regulations, 20 CFR part 617
- American Recovery and Reinvestment Act of 2009 (P.L. 111-5)
- Planning Guidance for the Strategic State Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act [73 FR 72853 (Dec. 1, 2008) OMB No. 1205-0398]
- TEGL No. 17-05, “Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues”

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<sup>2</sup> See <http://goals.performance.gov/agencies/agency?agencyId=16>

- TEGL No. 2-07, “Leveraging Registered Apprenticeship as a Workforce Development Strategy for the Workforce Investment System”
- TEGL No. 14-08, “Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009”
- TEGL No. 22-08, “Operating Instructions for Implementing the Amendments to the Trade Act of 1974 Enacted by the Trade and Globalization Adjustment Assistance Act of 2009”
- TEGL No. 6-09, “Instructions for Implementing the Revised 2010 Trade Adjustment Assistance (TAA) Trade Activity Participant Report (TAPR)”
- TEGL No. 17-09, “Quarterly Submission of the Workforce Investment Act Standardized Record Data (WIASRD)”

3. **Background.** As the economy recovers and job growth returns, the public workforce system has a critical role to play in ensuring that job seekers and employers have access to the skills they need to compete and succeed. ETA recognizes that a more focused effort on credentialing can help lay the human capital foundation necessary to support new and growing sectors of the economy, including alternative energy and other “green” industries, health care, and advanced manufacturing. As we invest in skills development, we will not only help individuals return to work, we will also help workers obtain the measurable and specific skills they need to move along directed career pathways<sup>3</sup>, while giving employers access to the skilled workers they need to compete globally.

The demand for skilled labor is projected to grow significantly over the next decade. According to the Bureau of Labor Statistics (BLS), between 2008 and 2018, 21 of the 30 fastest growing occupations will require a postsecondary certificate or degree. A recent study from the Brookings Institution uses BLS data to project that nearly half of all openings over the next decade will be for “middle-skill” jobs, those requiring more than high school but less than a college degree.<sup>4</sup> By 2018, 30 million new and replacement jobs will require some postsecondary education.<sup>5</sup> These white, green, and blue collar jobs pay family-sustaining wages and can be found in every sector of the economy, from manufacturing to customer service to health care.

While the projected job growth over the next decade is concentrated in occupations that require some postsecondary education or training, the cost of postsecondary education is rising and completion rates are falling. According to a 2009 Organization for Economic Cooperation and Development study, if current trends in postsecondary credential attainment continue, the next generation of American workers will be less educated than the previous generation for the first time in the country’s history.<sup>6</sup> Similarly, a 2010 study by Georgetown

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<sup>3</sup>The term “career pathways” refers to a clear sequence of education and/or training coursework and related services that prepares individuals to meet their career objectives. Career pathway approaches to education and training have shown promising results for increasing credential attainment.

<sup>4</sup>Holzer, Harry J and Robert I Lerman. 2009. The Future of Middle-Skill Jobs. Center on Children and Families. The Brookings Institution: Washington, DC

<sup>5</sup> Replacement needs are the number of projected openings resulting from workers retiring from or permanently leaving an occupation.

<sup>6</sup> See also Carnevale, Smith, & Strohl. 2010. Help Wanted: Projections of Jobs and Education Requirements Through 2018, Center on Education and the Workforce, Georgetown University, June 2010.

University's Center on Education and the Workforce indicates that at current rates of postsecondary educational attainment, U.S. employers will face significant skills shortages by mid-decade, threatening their ability to compete in today's global economy and potentially leading them to move jobs overseas (see Carnevale, Smith, and Strohl, 2010). Declining rates of postsecondary credential attainment threaten both our global competitiveness and our ability to generate broadly-shared prosperity at home.

The value of credentials to employers, workers, and society at large cannot be overstated. For employers, credentials demonstrate and document skills, increasing their ability to fill skilled positions, build talent pipelines and compete. For workers and job seekers, credentials improve their labor market experience through higher earnings, greater mobility and enhanced job security. Good-paying jobs in high demand industries generally require some form of postsecondary education or training and the earnings bump that accompanies postsecondary credentials is well established. According to one recent study, workers with an associate's degree earned, on average, 33 percent more than workers with only a high school diploma or General Educational Development (GED) credential, and workers with a bachelor's degree earned 62 percent more than the workers with no postsecondary training or education.<sup>7</sup>

While a bachelor's or associate's degree is linked to higher earnings, so are occupational certificates that can be earned in less than two years. For example, according to one study, an occupational certificate earned through just one year of postsecondary study can produce a 20 percent increase in earnings for women.<sup>8</sup> The opportunity to earn credentials in less than two years is very attractive for youth and young adults who are at-risk, out-of-school, or have some other barrier to employment. Industry-recognized credentials that can be earned in as little as six months to two years provide an alternative to more lengthy and costly undergraduate degrees.

Credentials also provide some insulation for workers from downturns in the economy. Current BLS data indicate that unemployment rates among workers lacking a high school diploma or GED were anywhere from seven to ten percentage points higher than workers with bachelor's degrees. This finding is especially relevant for trade-affected workers; of those reported in the Trade Activity Participant Report (TAPR) as having been active participants in TAA programs during the first three quarters of FY 2010, more than a quarter had not completed high school or obtained a GED prior to participation, and well over two-thirds did not have educational attainment beyond a high school diploma or GED. In short, industry-recognized credentials provide a significant lift to precisely those workers who are most vulnerable in the labor market.<sup>9</sup>

The High Priority Performance Goal of increasing credential attainment among public workforce program participants presents an opportunity for the public workforce system to expand its efforts to equip American workers for the 21<sup>st</sup> century labor market. The goal

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<sup>7</sup> Holzer, Harry and Robert Lerman. 2007. *America's Forgotten Middle-Skill Jobs: Education and Training Requirements in the Next Decade and Beyond*. Washington DC: The Workforce Alliance.

<sup>8</sup> Kazis, Richard. *Community Colleges and Low Income Populations: A Background Paper*. Jobs for the Future, Boston: Jobs for the Future, 2002, p. 15.

<sup>9</sup> See Bosworth, Brian. 2007. *Lifelong Learning: New Strategies for the Education of Working Adults*. A Progressive Growth Policy Paper, Center for American Progress; Washington, DC.

reflects a growing appreciation of the urgent need for a more highly-skilled workforce to compete in today's global economy and supports the Administration's efforts to increase skill development opportunities for American workers, particularly those most disadvantaged in the current economic climate. The American Recovery and Reinvestment Act (ARRA) aimed to leverage the public workforce system to increase enrollment in the kind of longer-term training that equips participants with income-enhancing, industry-recognized credentials.<sup>10</sup> The current goal builds on that effort and also reinforces the workforce system's role in generating access to training options that help workers advance along a career pathway within a specific sector or occupational field. Each step on that pathway should be designed to lead to the attainment of a stackable and portable credential, certification or degree that is recognized by employers and utilized in hiring decisions. Key to the success of this goal are: 1) strong partnerships with businesses of all sizes in the identification of skill gaps and the development of high-quality training programs that are timely, responsive and employer-driven; and 2) strong coordination with other public agencies, including education, economic development and human services, to ensure the effective leveraging and targeting of public resources aimed at increasing the skills of American workers.

**4. Defining Credentials and Their Importance.** Within the context of workforce development generally, the term credential refers to an attestation of qualification or competence issued to an individual by a third party (such as an educational institution or an industry or occupational certifying organization) with the relevant authority or assumed competence to issue such a credential.

Examples of credentials include:

- Educational Diplomas and Certificates (typically for one academic year or less of study);
- Educational Degrees, such as an associate's (2-year) or bachelor's (4-year) degree;
- Registered Apprenticeship Certificate;
- Occupational Licenses (typically, but not always, awarded by state government agencies); and
- Industry-recognized or professional association certifications; also known as personnel certifications; and
- Other certificates of skills completion.

For a more complete and detailed discussion of credentials, please see Attachment 2.

In TEGL 17-05, ETA has a definition of certificate which has also served as the definition of a credential for performance reporting purposes. To bring ETA's terminology in line with the fields of education and industry, the term credential (and not certificate) will be used as the umbrella term which encompasses postsecondary degrees, diplomas, licenses, certificates

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<sup>10</sup>For example, the amendments made to the Trade Act of 1974 under ARRA extended the maximum number of weeks of income support for TAA eligible workers from 130 weeks to 156 weeks, which improved the opportunity for these workers to obtain approval for, and complete, longer term training such as a two year Associate's degree, a nursing certificate, or completion of a program already begun to attain a four-year degree. The maximum number of weeks of a TAA-approvable training program is and was not set by statute, but by guidance through TEGs. See TEGL 22-08 for guidance on the length of training funded by the TAA program. See also TEGL 14-08 for specific guidance on using ARRA funds to support longer-term training for WIA participants.

and certifications. As such, for purposes of accounting for credential attainment within the workforce system, the following definition is a modification to update the “certificate” definition from TEGL 17-05 Attachment B:

A **credential** is awarded in recognition of an individual’s attainment of measurable technical or occupational skills necessary to obtain employment or advance within an occupation. These technical or occupational skills are generally based on standards developed or endorsed by employers. Certificates awarded by workforce investment boards (WIBs) are not included in this definition, nor are work readiness certificates because neither of them document “measurable technical or occupational skills necessary to gain employment or advance within an occupation.” A variety of different public and private entities issue credentials. Below is a list of types of organizations and institutions that award industry-recognized credentials.

- A state educational agency or a state agency responsible for administering vocational and technical education within a state.
- An institution of higher education described in Section 102 of the Higher Education Act (20 USC 1002) that is qualified to participate in the student financial assistance programs authorized by Title IV of that Act. This includes community colleges, proprietary schools, and all other institutions of higher education that are eligible to participate in federal student financial aid programs.
- A professional, industry, or employer organization (e.g., National Institute for Automotive Service Excellence certification, or a National Institute for Metalworking Skills, Inc., Machining Level I credential) or a product manufacturer or developer (e.g., Microsoft Certified Database Administrator, Certified Novell Engineer, or a Sun Certified Java Programmer) using a valid and reliable assessment of an individual’s knowledge, skills and abilities.
- ETA’s Office of Apprenticeship or a State Apprenticeship Agency.
- A public regulatory agency, upon an individual’s fulfillment of educational, work experience, or skill requirements that are legally necessary for an individual to use an occupational or professional title or to practice an occupation or profession (e.g., Federal Aviation Administration aviation mechanic license, or a state licensed asbestos inspector).
- A program that has been approved by the Department of Veterans Affairs to offer education benefits to veterans and other eligible persons.
- Job Corps centers that issue certificates.
- An institution of higher education which is formally controlled, or has been formally sanctioned or chartered, by the governing body of an Indian tribe or tribes.

For further information about the various types of credentials and resources for identifying them, please see the Credential Reference Guide in Attachment 2.

##### **5. Credential Attainment: Implications of Recent Trends in the Public Workforce System.**

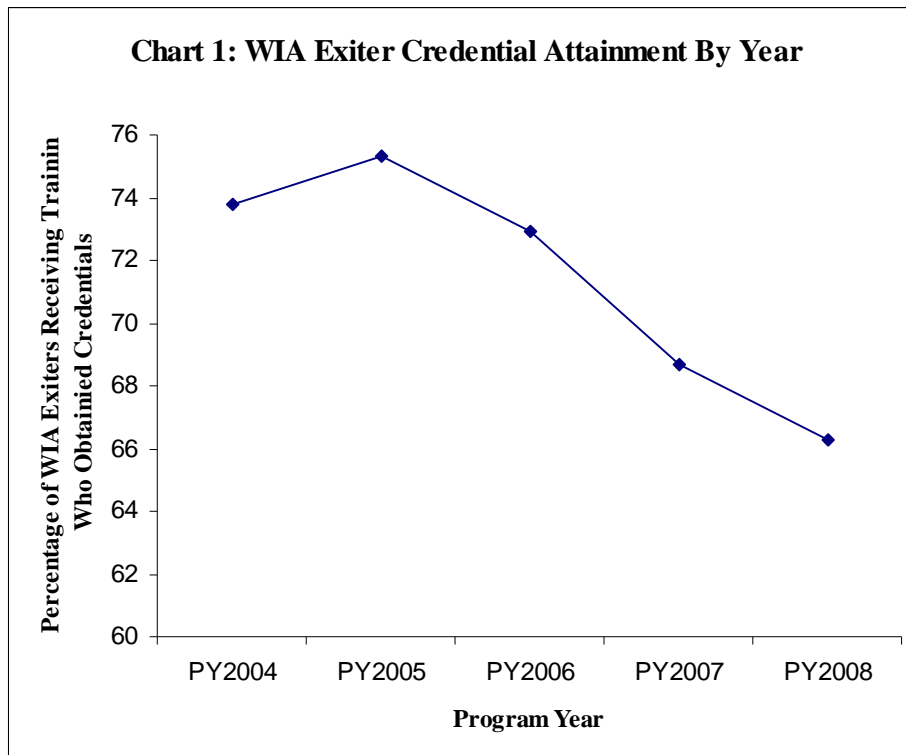
Individual record data collected through the Workforce Investment Act Standardized Reporting Data (WIASRD) point to declining rates of credential attainment among public

workforce participants. Table 1 and Chart 1 illustrate the trend away from credential attainment; for each Program Year from 2005-2008, the percentage of WIA exiters earning a credential declined.

**Table 1: Type of Credential Attained by WIA Adult and Dislocated Worker Program Exiters who Received Training by Type of Recognized Credential**

<b>Type of Recognized Credential</b>	<b>PY 2004</b>	<b>PY 2005</b>	<b>PY 2006</b>	<b>PY 2007</b>	<b>PY 2008</b>
Occupational Skills Certificate/Credential	47.6%	46.1%	43.6%	42.2%	40.2%
Occupational Skills Licensure	10.8%	10.6%	11.3%	11.4%	11.4%
AA or AS Diploma/Degree	6.2%	7.8%	7.3%	7.0%	6.8%
Other Recognized Educational Occupational Skills Certificate	7.6%	8.9%	8.5%	5.6%	5.2%
BA or BS Diploma/Degree	1.2%	1.4%	1.5%	1.5%	1.5%
High School Diploma/GED	0.4%	0.5%	0.7%	1.0%	1.1%
<b>Total Receiving Recognized Credential</b>	<b>73.8%</b>	<b>75.3%</b>	<b>72.9%</b>	<b>68.7%</b>	<b>66.3%</b>

Source: Program Year 2008 Workforce Investment Act Standardized Record Data



A number of factors explain the lower rates of credential attainment among public workforce participants, the most immediate of which is the decline in the number of individuals receiving training. The system’s focus on rapid job placement and the preference of many program participants for immediate employment rather than job training, contributed to the decline. Limited access to financial aid and supportive services for program participants,

combined with reductions in Federal funding for training, further reinforced the trend away from training and credential attainment. Finally, the larger economic context of relatively low levels of unemployment during the first half of the decade contributed to the system's focus on employment over training throughout most of the decade.



**Table 2: Credential Attainment Among WIA Exiters  
October 2007-September 2008**

	<b>Number of Exiters</b>	<b>Received Credential</b>	<b>Percent Received Credential</b>
All WIA Adult Exiters	786,653		
Received Training (subset)	107,437	59,547	55.4%
All Dislocated Worker Exiters <sup>11</sup>	241,459		
Received Training (subset)	57,349	37,153	64.8%
All National Emergency Grant Exiters	10,843		
Received Training (subset)	5,487	2,458	44.8%
Youth	118,778		
Enrolled in Education	94,050	56,469	60.0%

Source: Program Year 2008 Workforce Investment Act Standardized Record Data

The data in the Table 2 illustrate that only a small subset of WIA program exiters received training of any kind and, of those that did, a little over half obtained a certificate or degree. Among adult workers, for example, just over half who received training also obtained a credential. Of the over five thousand dislocated workers who received training through a National Emergency Grant in 2008, fewer than half obtained a credential<sup>12</sup>.

**6. Improving Credential Attainment: The Role of the Public Workforce System.**

The public workforce system has a vital role to play in increasing access to credentials through its relationships with employers, labor and industry organizations, Registered Apprenticeship programs, economic development agencies, community-based and philanthropic organizations, discretionary grantees, and education and training providers. State and local WIBs are particularly well positioned to convene the diverse stakeholders and forge a common strategy around improving credential attainment in ways that benefit both jobseekers and employers. Increasing credential attainment requires aligning state and local policies and service delivery models to support higher enrollments in credential-issuing training programs. Increased access to and linkages among supportive and wrap-around services that allow individuals to stay in and complete programs are also critical to improving completion rates. Finally, success will require close coordination with local employers and training providers to identify and, in some cases, develop industry-recognized credentials for local, in-demand jobs. Below are strategies that state workforce agencies, state and local WIBs, One-Stop Career Centers, and DOL discretionary grantees can use to increase the quantity and quality of credentials attained with the support of the public workforce investment system.

<sup>11</sup> These figures exclude National Emergency Grant exiters.

<sup>12</sup> Credentialing information began to be collected for TAA participants in FY 2010; therefore no information is available prior to that period.

## **I. Strategies for Increasing Credential Attainment among Public Workforce Program Participants**

A first step toward increasing the level of credential attainment among public workforce program participants is to refer more individuals to training.

Completion of a postsecondary training or education program is the most typical way to earn a credential. However, as the preceding analysis indicates, a very small percentage of WIA exiters participate in training. Increasing the number of WIA and TAA participants enrolled in programs that result in credentials or in educational programs that conclude in a certification examination will have an immediate impact on the level of credential attainment.

While more referrals to training will help, they are only the first step. To earn a credential, two other conditions must be met: 1) the training program must result in a credential and 2) the individual must complete the program. To ensure that workforce program participants are referred to training that results in industry-recognized credentials with labor market value, public workforce agencies can do the following.

- a. Use referrals and the Eligible Training Provider List (ETPL) to encourage the creation or issuance of industry-recognized credentials by local training and education providers.
- b. Build the capacity of One-Stop and other frontline staff to help customers seeking training to invest their funds and time in programs that will lead to industry-recognized credentials for jobs in demand in the regional labor market. When referring individuals to training, frontline staff should make them aware of the advantages of programs that issue industry-recognized credentials.
- c. Build the capacity of One-Stop and other frontline staff to help customers develop individualized career plans that support an individual's journey through the pathway.
- d. Develop visual and virtual "roadmaps" that enable customers and frontline staff to map the education and training they must complete, and credentials they must acquire, to reach their goals.
- e. In the case of TAA eligible individuals, make use of new case management funds available as a result of the 2009 amendments to the Trade Act of 1974 authorized under ARRA. As stated in Section 235 of the Trade Act, as amended, these funds should be used to provide services including, but not limited to:
  - i. Development of an individual employment plan to identify employment goals and objectives, and appropriate training to achieve those goals and objectives, and

- ii. Information on training available in local and regional areas, information on individual counseling to determine which training is suitable training, and information on how to apply for such training<sup>13</sup>.

To ensure that workforce program participants complete credential-bearing training programs, state and local workforce agencies can use strategies that shorten training duration and provide supportive services that enable individuals to persist in training, both of which have been linked to higher levels of program completion.<sup>14</sup>

To shorten the duration in training, state and local workforce agencies can pursue the following strategies.

- a. Assess prior learning to help adults and dislocated workers obtain academic credit for independently attained knowledge and skills, thereby accelerating the process of credential attainment. See Attachment 2 for specific resources that enable adults to earn college credit for prior learning and experience.
- b. Offer WIA title I contextualized training programs that lead to a credential for low-skilled participants. Such programs combine basic literacy and numeracy components with occupational skills training to accelerate learning and credential attainment in growing industries.
- c. When warranted, co-enroll low-skilled participants in WIA titles I and II to support their participation in Integrated Education and Training (IET) programs, a service approach that combines adult basic education, including English as a second language, with occupational skills training and issues GEDs and postsecondary, industry-recognized credentials. By enabling individuals to obtain adult basic education credentials and occupational credentials at the same time, IET programs can significantly accelerate the process of credential attainment.
- d. Encourage training providers to modularize curricula into smaller portions, or chunks, enhancing the ability of individuals to earn interim credentials and combine part-time study with full-time employment and/or supporting a family. A chunked curriculum is one that has been broken down into smaller units, each of which is stackable and linked to other

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<sup>13</sup> 20 CFR 617.22 (2) and (3) detail two of the six criteria that must be met for approval of TAA training: (2) that the worker would benefit from appropriate training, and; (3) that the training would result in a reasonable expectation of employment. The individual employment plan should be used to document how credential-related training programs may be used to satisfy (2). In the case of (3), the information provided on training programs should include those that lead to industry recognized credentials.

<sup>14</sup> Prince, David and Davis Jenkins. 2005. Building Pathways to Success for Low-Skill Adult Students: Lessons for Community College Policy and Practice from a Longitudinal Student Tracking Study. Olympia, WA: Washington State Board for Community and Technical Colleges.

modules in a series that culminates in an industry-recognized credential.<sup>15</sup> Enabling students to earn a credential non-sequentially and non-continually has been demonstrated to increase rates of credential attainment and, in turn, employment and earning outcomes.<sup>16</sup>

- e. Fund curriculum development for accelerated programs and programs that integrate adult education (and English language services as appropriate) with occupational training to accelerate learning and help people earn industry-recognized credentials expeditiously.<sup>17</sup>

To provide participants with resources to help them complete training, state and local workforce agencies can:

- a. Leverage the full array of supportive services allowed through title I of WIA, including subsidies for childcare and transportation, as well as additional benefits and supportive services available to individuals eligible for the TAA program;
- b. Build frontline staff knowledge of, and make available to customers, information about expanded eligibility for Pell Grants and other sources of student financial aid for nontraditional students, as well as supportive services available through other federal, state and local programs;
- c. Foster stronger program linkages among WIA, Registered Apprenticeships, TAA, Temporary Assistance to Needy Families (TANF), Vocational Rehabilitation, Social Security's Ticket to Work Program, and the Carl D. Perkins Career and Technical Education Act to provide seamless service delivery and enable participants to access a wide array of supportive services and income supports to facilitate access to and persistence in credential-granting training and education programs; and/or
- d. Partner with local community-based organizations that work with specific populations to deliver supportive services and provide other income supports and wrap-around services as appropriate.

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<sup>15</sup> A credential is considered "stackable" when it is part of a sequence of credentials that can be accumulated over time and move an individual along a career pathway or up a career ladder. For a more complete definition, please see Attachment 2.

<sup>16</sup> Duke, Amy-Ellen and Julie Strawn. 2008. *Overcoming Obstacles, Optimizing Opportunities: State Policies to Increase Postsecondary Attainment for Low-Skilled Adults*. Boston, MA: Jobs for the Future.

<sup>17</sup> ARRA allows states to use WIA ARRA funds for curriculum development. Specifically, TEGL 14-08 states "As part of the contract, the institution of higher education or eligible training provider could develop curricula for emerging sectors and enhance the capacity of the institutions to ensure quality training within limited timeframes. As such, the development of curricula by institutions of higher education can be considered a training activity under WIA, if it is developed in the context of providing training to WIA participants. To be consistent with the timely spending of Recovery Act funds, curriculum activities should focus on adapting existing or creating new curricula that will result in a short-term increase in training capacity, rather than long-term curriculum development activities."

## **II. Strategies for Improving the Value of Credentials to Program Participants**

To meet the challenge of improving the quality of credentials attained through participation in public workforce programs and ensuring that the credentials are industry-recognized and result in improved employment and earnings, state and local workforce agencies should build the capacity of front-line staff to identify and assess the value and appropriateness of credentials for program customers. Specifically, workforce agencies should do the following.

- a. Train staff to verify the requirements and value of specific industry-recognized certifications in demand in the local labor market. Not all credentials carry equal weight in the labor market, and some require significantly greater investment of time and resources than others. Key questions to consider when referring a customer to a credential-issuing education or training program include the following.
  - i. Is the credential recognized by employers and used in hiring, promotion, and compensation decisions?
  - ii. Are the skills documented through the credential currently in demand in the local labor market?
  - iii. Is an entrance examination required?
  - iv. Is there a standard amount of work experience or internship time required?
  - v. Is the credential embedded in a larger career pathway model that provides opportunities to continue developing income-enhancing skills and competencies?
- b. Ensure that frontline case managers, career counselors, and job developers have a working knowledge of state and Federal occupational licensure requirements and are familiar with locally available for-credit educational programs or Registered Apprenticeship opportunities that prepare individuals to take licensure and/or certification examinations, or include that examination as the capstone to the program. If an occupation is licensed, the license is often required before a person can be employed in that capacity.
- c. Train staff to conduct market research with local employers to identify in-demand credentials and local education and training providers that issue industry-recognized credentials.

State workforce agencies and local WIBs can increase the value of credentials by encouraging education and training providers to issue in-demand credentials and encouraging employers to use credentials in their hiring and promotion decisions. Specifically, workforce agencies can do the following.

- a. Include the issuance of industry-recognized credentials in the criteria for the state's ETPL.

- b. Increase the portability and stackability of specific credentials by working with educational partners on developing articulation agreements within and among the state's community colleges and other training providers.
- c. Work with local and regional employers around identification of in-demand credentials that will have labor market value for business and for the individuals who earn them. Part of this work may involve developing or customizing competency models and linking them to existing credentials or to serve as the basis for developing new credentials.
- d. Encourage community colleges to link non-credit and for-credit programs, enabling individuals who earn industry-recognized certificates to apply them toward credit for an educational degree.
- e. Organize and display labor market information in relation to specific credentials by highlighting the number of jobs projected to exist in occupations for which a given industry-recognized credential and/or degree program prepares individuals; the projected entry-level salary for a worker in this occupation; the estimated median salary in this occupation; and the estimated salary for an experienced worker in this occupation.

Longer-term strategies for improving the quantity and quality of credentials available to youth, adults and dislocated workers will require collaboration among state workforce, education, human services, and economic development agencies as they work with employers to develop regional economic approaches to human capital development. States should look for ways to encourage industry collaboration in the development of career pathways and credentialing models. State agencies and local WBS can use the Industry Competency Model Clearinghouse located on the CareerOneStop Website to help local employers and education providers map out career pathways and competency models. These tools can be accessed at [www.careeronestop.org/competencymodel](http://www.careeronestop.org/competencymodel). This resource as well as others can be found in Attachment 2, along with information about occupational and industry certifications.

- 7. Reporting.** For ETA to assess whether this guidance has an impact, the reporting of credential attainment is critical. States and grantees should ensure that training services received and credentials attained are reported accurately and timely in the state and grantee performance reports submitted to ETA for WIA title I and TAA programs, and other grants. For reporting purposes, the definition of certificate included in Section 4 of this guidance shall be used for the purpose of reporting credential attainment. A description of the reports where this information should be reported may be found in Attachment 3.

Furthermore, regardless of whether a state has an approved waiver to report common performance measures outcomes only for WIA Title I programs, all states must provide information on participants' credential attainment in the WIASRD and the TAPR. More detailed information on the WIASRD reporting guidelines are articulated in TEG 17-09.

Reporting guidelines for the TAA program are found in TEGL 6-09. Note that Credential attainment is a new data element for the TAA program effective FY 2010.

**8. Action Requested.** States and grantees should distribute this guidance to the appropriate staff and ensure timely implementation.

**9. Inquiries.** Questions regarding credentialing should be directed to the appropriate ETA Regional Office, or to the Office of Workforce Investment ([NO-OWI.Official@dol.gov](mailto:NO-OWI.Official@dol.gov))

**10. Attachments.**

Attachment 1: PY 2008 WIA Adult, Youth, and National Emergency Grant (NEG) Exiters Obtaining a Credential/Degree by State

Attachment 2: Credential Reference Guide

Attachment 3: Performance Reports for Reporting Credential Attainment by Program